

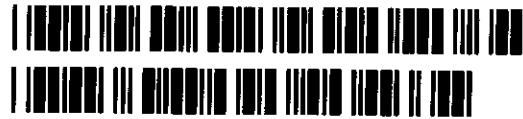
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AT SEATTLE  
CLERK U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON DEPUTY

BY



10-CV-01423-RESP

SUPERIOR COURT OF WASHINGTON, FOR KING COUNTY

JOHN E. ERICKSON and SHELLEY A.

ERICKSON, husband and wife;

Shelley's Total Bodyworks Day

Spa/Shelley's Suntan Parlor a

sole proprietorship

Plaintiff, claimants

Pro Se

vs.

Long Beach Mortgage Co, WAMU

Bank and Chase Bank. Agent for

Deutsche Bank Natl. Trust.

Servicing agent for Chase Bank.

Loan no. 0697646826

HIGA ESCROW/CAROLE HIGA; PETER

RU AGENT/BROKER FOR LONG BEACH

MORTGAGE:

Defendant

Case No.10-2-29165-2 KNT  
No. 2:10-cv-1423

AMENDED  
COMPLAINT AND CAUSE OF ACTION

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COMPLAINT AND CAUSE OF ACTION

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JOHN E. and SHELLEY A. ERICKSON PRO-SE  
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1 Amended complaint and cause of action pursuant (1) Subject  
2 to subsection (2) and Rule 76.

3  
4 **I. PARTIES**

5  
6 At all times and material hereto; We, the  
7 Plaintiffs/Complainants, John E. and Shelley A. Erickson, a  
8 married couple, resided in King County at 5421 Pearl Ave  
9 S.E., Auburn, Washington, 98092 since 1981. Plaintiff's own  
10 Shelley's Total Bodyworks Day Spa/Shelley's Suntan Parlor as  
11 sole proprietor business for thirty years in Auburn,  
12 Washington.

13  
14 The defendants are believed to be and therefore are alleged  
15 to be, residents of King County, State of Washington and  
16 defendants represented the mortgage company Long Beach Mortgage.  
17 All of these defendants complained of herein were done both  
18 and individually and for the benefit of the Long Beach Mortgage  
19 Company. The documents were signed in Bellevue, Washington. Higa  
20 Escrow. Peter Ru agent/broker.

21  
22 **II. SUBJECT MATTER JURISDICTION**

23  
24 Plaintiffs/Complainant's reallege each and every allegation  
25 contained in paragraph 1. through herein.

At the time of commencing this tort action at the above  
location, the defendants in the original signing of the

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documents were represented by and also were representing Higa Escrow, Long Beach Mortgage/WAMU now Chase Bank branch in Bellevue, Washington, County of King, State of Washington. Now claiming the Deutsch Bank National Trust being the investor.

Individuals/defendants' listed above, live and work in the sovereign State of Washington.

The direct predatory loan act on the Erickson's home took place in the State of Washington. Violations of the Truth and Lending Acts and the committing of Mortgage Fraud and predatory lending took place inside the State of Washington, and each and every individual State in the United States and has been deemed the largest organized crime in the history of the United States and possibly the globe. Causing economic hardship for thousands of citizens inside the State of Washington, effecting jobs, causing loss of jobs therefore loss of incomes and causing economic chaos, injuring the plaintiff's business, This is an economic crime at its worst. EXHIBIT 4; Causing the plaintiff's to be in bankruptcy and at risk of losing their home. Exhibit 13,14,16,17,19-22. Barnsdall Refining Corn. V. Birnam wood Oil Co., 92 F 2d 817; RCW 11.98.110; TILA 15 U.S.C.1601"Regulation Z".

Plaintiff's had a good solid business and can prove through accounting records, had built a huge business that grew every year until the mortgage fraud came to a climax and began dramatically draining the economy, with a bubble burst caused by mortgage fraud and organized crime. The mortgage fraud and

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1 servicing fraud has effected the United States and the entire  
 2 globe. Exhibit 15&18 Exhibit B-1 and C.

3  
 4 All direct [Tort] acts of the defendants giving rise to  
 5 plaintiffs' personal mortgage causes of action, originated and  
 6 took place in King County, inside the sovereign boundaries of  
 7 plaintiff's/[nationals] borders of the state of  
 8 Washington. The economic harm has occurred to the Erickson's  
 9 business and livelihood located inside the sovereign boundaries  
 10 of the State of Washington. Washington law RCW 9.91.010,  
 11 protects the plaintiff's civil right within the boundaries of  
 12 the State of Washington. 18 U.S.C.§1964 provides  
 13 for civil remedies for Racketeer influenced and corrupt  
 14 organization (RICO) violation: All act of defendants/agents  
 15 inside this jurisdiction allegedly represent Long Beach  
 16 Mortgage, a company that is associated to WAMU in the original  
 17 signing of the documents, and has been purchased by CHASE BANK  
 18 in King County, State of Washington. Washington Superior Court  
 19 has "general" jurisdiction, SUBJECT MATTER JURISDICTION AND  
 20 TERRIOTORIAL JURISDICTION AND PERSONAL JURISDICTION AND IS  
 21 COMPETENT TO HEAR ANY CASE OVER WHICH NO OTHER TRIBUNAL HAS  
 22 EXCLUSIVE JURISDICTION, AND HAS THE AUTHORITY TO HEAR THE VAST  
 23 MAJORITY OF CASES.

24  
 25 Chase Bank then purchasing loans based on mortgage fraud as  
 notes to money launder corrupt mortgages. 18U.S.C.1956-57,  
 U.S.C.A.1956, prohibits money laundering. [Cases :United States  
 v,34 C. J. S. United States §§ 162-163.]. Money laundering is

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1 defined in Blacks Law Book as: The act of transferring illegally  
 2 obtained money through legitimate people accounts so that its  
 3 original source cannot be traced. Money -laundering is a  
 4 federal crime. 18 U.S.C.A. § 1956, however has provisions under 18 U.S.C. §  
 5 1956-1957 in a civil action. The mortgage documents for our mortgage  
 6 and millions of mortgages have been shredded so origin cannot be  
 7 traced, so value and ownership cannot be traced. It is also  
 8 addressed through the state governments, e.g., through the  
 9 Uniform Money Services Act. Because some money -laundering is  
 10 conducted across national borders, enforcement of money-  
 11 laundering laws often requires international cooperation,  
 12 fostered by organizations such as Interpol.. ] Chase Bank  
 13 mortgage serving then committing mortgage fraud upon the  
 14 Erickson's, who's home is located inside the jurisdiction of the  
 15 sovereign State of Washington. Such as sold to the Deutsch  
 16 National Trust.

17  
 18 "A party lacks standing to invoke the jurisdiction of a  
 19 court unless he has, in an individual or a representative  
 20 capacity, some real interest in the subject matter of the  
 21 action. ( State ex rel. Dallman v. Court of Common Pleas  
 22 (1973), 35 Ohio St. 2d 176, 298 N.E. 2d 515, syllabus. See  
 23 Bellitri v. Ocwen; opinion: a party "must have some actual,  
 24 justiciable interest. " Id. They must have a recognizable stake.  
 25 Wahhl v. Braun, 980 SW.2d 322 (Mo. App,. E.D. 1998). Lacking f  
 standing cannot be waived and may be considered by the court sua  
 sponte. Brock v. City of St. Louis, 724 S.W.2d 721 (Mo. App.E.D.  
 1987). If a party seeking relief lacks standing , the trial

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1 court does ;not have jurisdiction to grant the requested relief,  
 2 Shannon, 21 S.W. 3d at 842.WBal The Eleventh Appellate District  
 3 has held that 'Civ.R. 17 is not applicable when the plaintiff is  
 4 not the proper party to bring the case and, thus, does not have  
 5 standing to do so. A person lacking any right or interest to  
 6 protect may not invoke the jurisdiction of a court. 'Northland  
 7 ins. Co v. Illuminating Co., 11<sup>th</sup> Dist. Nos. 2002-A-oo58 and  
 8 2002-A-0066,2004-Ohio-1529, at 17 (internal quotations and  
 9 citations omitted). The court has also noted that "Cov.R. 17  
 10 (A) was not applicable unless the plaintiff(and or defendant)had  
 11 standing to invoke the jurisdiction of the court in the first  
 12 place, either in an individual or representative capacity.  
 13 With some real interest in the subject matter. Civ.R. 17 only  
 14 applies if the action is commenced by one who is sui juris or  
 15 the proper party to bring the action. " Travelers Indemn. Co.  
 16 v. R. L. Smith Co (Apr. 13. 2001.) 11<sup>th</sup> Dist. No. 2000-L-014. "  
 17 Wells Fargo Bank, N .A. v, /Byrd. 178 Ohio App. 3d 285, 2008-  
 18 Ohio-4603, 897 N.E. 2d 722. It went on to hold "If  
 19 plaintiff(and or defendants')has offered no evidence that it  
 20 owned the note and mortgage when the complaint was filed, it  
 21 would not be entitled to judgment as a matter of law". The  
 22 Erickson's have lived in this home for over 32 years and have  
 23 paid taxes on this home for over thirty two years, and were two  
 24 years from paying off the mortgage when the economic crimes of  
 25 the fraudster banks caused plaintiffs huge loss of income  
 causing them to take out loan to save their business and  
 personal home and forced sale and transfer of all the properties  
 owned by the plaintiff's except their home, trying to survive

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1 the criminal economic losses. The U.S. Mail and phone services  
 2 have been used by the fraudster mortgage company and servicing  
 3 company to defraud, violating the "mail Fraud" and "Wire Fraud"  
 4 act 18.U.S.C.§1341 AND 18 U.S.C.§1343 Ohio courts have the  
 5 inherent power to vacate the prior judgments in foreclosure.  
 6 Patton v. Diemer (1988), 35 Ohio St. 3d 68, 70, 518 N.E. 2d 952.  
 7 The state courts of Massachusetts and Kansas have agreed on this  
 8 matter.

### 9 III. AUTHORITIES (STATUTES)

10  
 11 No. Carolina AUDAP STATUTE, CREATES A PRIVATE CAUSE OF  
 12 ACTION FOR "[UNFAIR METHODS OF COMPETITION IN OR AFFECTING  
 13 COMMERCE,. Ad unfair deceptive acts, practice minor affecting  
 14 commerce. "36 The commission of such act that injures a  
 15 person in a business may be punished by treble damages and  
 16 attorney fees. Georgia's residential mortgage fraud act. See: 33  
 17 18 U.S.C. §1961(1)(b), 34 18 U.S.C. § 1962, 35 U.S.C. § 1964(c), 36 N.C.G.S. § 75-  
 18 1.1. (a), 37jd. § 75-16, 75-16.1.38 Ga. Code § 16-8-etse, 39jd. § 16-8-102. See: e.g.,  
 19 Arizona S.B. 1221; Florida S.B. 240 & H.B. 349; Minnesota S.F. 797 & H.F. 851,  
 20 797; Texas H.B. 716c. See: 41 Sec e.g. S. Rep. No. 597, 63 Cong, 2d Sess. J at 8-  
 21 13(1914), HR Rep No. 1142, 63d. Cong, 2d Sess. j at 18-19(1914) (Conference  
 22 Report). See: e.g. H.R. Rep. No. 1613. 75<sup>th</sup> Long. Lst Sess, at 3(1937); 83 Cong.  
 23 Rec. 392-406(1938). 43 Holloway v. Bristol-Myers Corp. 485 F. 2d 986, 997, (D. C.  
 24 Cir 1973). See 18.235.110. AND 18. 85. 230. Guzman b. Ocwen 17, 18 U.S.C.134.;  
 25 18 U.S.C. §1343. Violation to "Obstruction to private entrepreneurs  
 44.1d. At 997-98, 45, John H. Beslner et al. Class action  
 "Corps Public Servants or Private Entrepreneurs? 57STAN.L.Rev.

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1 Truth in Lending Act was passed to prevent unsophisticated  
 2 consumer from being misled as to total cost of financing. Truth  
 3 in Lending Act, Section 102, 15 U.S.C. Section 1601. Griggs v.  
 4 Provident Consumer Discount Co. 680 F.2d 927, Certiorari granted,  
 5 vacated 103 S. Ct. 400, 459 U.S. 56, 74 L.Ed.2d 225, on remand  
 6 699 F.2d 642.

7 Purpose of Truth in Lending Act is for customers to able to  
 8 make informed decisions. Truth in lending Act Section 102 et  
 9 seq., 15 U.S.C. Section 1601 et seq. Brophy v. Chase Manhattan  
 10 Mortgage Co, 947 F. Supp 879. Truth in Lending Act, Sections 102  
 11 et seq, 102(a), 105 as amended, 15 U.S.C. Sections 1601(a),  
 12 1604; Truth in Lending Act is strictly a liability statute  
 13 liberally construed in favor of consumers. Truth in lending  
 14 regulations, Regulation Z, Sections 226. 1 et seq., 226. 18, 15  
 15 U.S.C. Section 1700, Basile v. H&R Block. Jlt (L. 897 F. Supp.  
 16 194.

17 To qualify for protection of Truth in Lending Act [15  
 18 U.S.C. Section 1601 et seq.] Plaintiff must show that disputed  
 19 transaction was a consumer credit transactin not a business  
 20 transaction. Truth b Lending Act, Section 102 et seq, 15 U.S.C.  
 21 Section 10601 et seq. Quino v. A-I Credit Com. 635 F. Supp. 151;  
 22

23 Under truth in lending regulation providing that disclosure  
 24 of consumer credit loan shall not be "stated, utilized or placed  
 25 so as to mislead or confuse," consumer, placement of disclosures  
 is to be considered along with their statement and use. Truth

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1 in Lending Regulations, Regulation Z, Section 226.6(c), 15  
2 U.S.C. following section 1700. Geimuso v. Commercial Bank &  
3 Trust Co. 566 F.2d 437.

4  
5 Any violation of the Truth in Lending Act, regardless of  
6 technical nature, must result in finding of liability against  
7 lender. Truth in Lending Act Section 130(a,e), Is U.S.C. Section  
8 1640 (a,e). In Re Steinbrecher. 110 BR. 1556, 116 A.L.R. Fed.  
9 881.

10  
11 Question of whether lender's Truth in Lending Act  
12 disclosures are inaccurate, misleading or confusing ordinarily  
13 will be for fact finder; However, where confusing, misleading  
14 and inaccurate character of disputed disclosure is so clear that  
15 it cannot reasonably be disputed, summary judgment for plaintiff  
16 is appropriate.

17  
18 Truth in Lending Act Section 102 et seq; Truth in Lending  
19 Regulations, Regulation Z, Section 226.1 et seq,. 15 U.S.C.  
20 Section 1700. Griggs v. Provident Consumer Discount Co. 503 F,  
21 Supp 246, appeal dismissed 672 F. 2d 903, appeal after remand  
22 680 F.2d 927, certiorari granted, vacated 103 S. Ct, 400, 459  
23 U.S. 56, 74 L.Ed. 2d 225, on remand 699 E2d 642. Pursuant to  
24 regulations promulgated under Truth in Lending Act, violator of  
25 disclosure requirements is held to standard of strict liability,

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1 and therefore, borrower need not show that creditor in fact  
2 deceived biro by making substandard disclosures.

3  
4 Truth in Lending Act, Sections 102-186, as amended, 15  
5 U.S.C. Section 1601-1667(e); Truth in Lending Regulations,  
6 Regulation Z, Section 226,8(b-d, 15 U.S.C. Section 1700 Soils v.  
7 Fidelity Consumer Discount Col. 58 B.R. 983; Once a creditor  
8 violates the Truth In Lending Act, no matter how technical  
9 violation appears, unless one of statutory defense applies,  
10 Court has no discretion imposing liability.

11  
12 Under the facts at hand the Defendants Bank has patently  
13 violated the Truth in Lending Act, at all relevant times the  
14 Bank misled and attempted to confuse Plaintiff's. The Bank did  
15 not provide appropriate disclosure as required by the truth in  
16 Lending Act in a substantive and technical manner. "It is not  
17 necessary for recession of a contract that the party making the  
18 misrepresentation should have known that it was false, but  
19 recovery is allowed even though misrepresentation is innocently  
20 made, because it would be unjust to allow one who made false  
21 representation, even innocently, to retain the fruits of a  
22 bargain induced by such representations." Whipp v. Iverson, 43  
23 Wis 2d 166.

24  
25 "If any part of the consideration for a promise be illegal,  
or if there are several considerations for an unseverable  
promise one of which is illegal, the promise, whether written or

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1 oral, is wholly void, as it is impossible to say what part or  
 2 which on of the considerations induced the promise." Menominee  
 3 River Co. V. Augustus Spies L & C. Co., 147 Wis 559+, 572; 132  
 4 NW 1122.

5  
 6 "Any false representation of material facts made with  
 7 knowledge of falsity and with intent that it shall be acted on  
 8 by another in entering into contract, and which is so acted  
 9 upon, constitutes "fraud, " and entitles party deceived to  
 10 avoid contract or recover damages." Barnsdall Refining Corn, V.  
 11 Birnam wood Oil Co, 92 F 2d 817. "In the Federal Courts, it is  
 12 well established that a national bank has not power to lend its  
 13 credit to another by becoming surety, indorse, or guarantor for  
 14 him." Farmers and Miners Bank v. Bluefield Nat'l Bank, 11 F 2d  
 15 83, 271 U.S. 669."

#### 16 17 IV. ALLEGATIONS

18  
 19 Plaintiff's claim "Mortgage Fraud", Mortgage servicing  
 20 Fraud, predatory lending fraud, "[u]nfair methods of competition  
 21 in or affecting commerce,. Ad unfair deceptive acts, practice  
 22 minor affecting commerce. "violations of Mortgage fraud  
 23 statutes, violation of federal mail and wire statutes 33&34.  
 24 "Wire Fraud", and " Mail Fraud", violations of the "RICO ACT"  
 25 engaging in a pattern of "Racketeering influenced and corruption

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1 organized (RICO): 18 U.S.C. §1964.;18 U.S.C. §1503, AD 18 U.S.C. §1503,  
 2 which prohibits obstruction of justice, ad 18 U.S.C. §1956-57, which prohibits money  
 3 laundering. See South Star Fundry LLC v. Supreme Sprouse, 2007. WL 812174  
 4 (W.D.N.C. Mar. 13, 2007)(18 U.S.C. §1964.; United States v. Dementz, 2007 WL  
 5 708975(11<sup>th</sup> Cir. Mar. 8, 2007)(18U.S.C. §1956, 1957); United states v. Soehnge,  
 6 2007 WL 4213(10<sup>th</sup> Cir. Jan, 2, 2007)(18 U.S.C. §1342); United States B.  
 7 DeaAngelis, 2006 WL 3082674 (11<sup>th</sup> Cir. Oct 31, 2006) 18 U.S.C. §1001); United  
 8 States v. Havens, 424 F. 3d 535(7 Cir. 2005);(42 U.S.C. §408(a)(7), United States v.  
 9 Lgeir, 2002 WL 31429868(3<sup>rd</sup> Cir. 2002) (18 U.S.C. §1028). And Obstruction to  
 10 Private Entrepreneurs. And economic organized crime, Injuring  
 11 plaintiff's business, and the entire Washington State economy.  
 12

#### 13 **V. MORTGAGE SERVICING FRAUD.**

14  
 15 April 2009, the fraudster mortgage servicing company told  
 16 the plaintiff's by wire (phone) they had been approved for a  
 17 modification loan, the paperwork was in the mail. May 29, 2009  
 18 the plaintiff's receive a letter violating ["mail fraud"], and  
 19 "wire fraud", stating the plaintiff's were being sent  
 20 [temporary] coupons for a[ trial modification period.] "You may  
 21 continue to receive your normal statement during this trial  
 22 period,but please do not use it for making future payments. Once  
 23 your modification is effective, normal billing statements  
 24 reflecting the modified terms will resume. If you make all [3]  
 25 trial period payments on time and comply with all of the

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1 applicable program guidelines., you will have qualified for a  
 2 final modification. [The plaintiff's had already been told they  
 3 had qualified for a modification loan, by phone.] (Plaintiff's  
 4 paid six months of modification payments.) However, there may be  
 5 a period of time between your last trial payment and your first  
 6 modification payment as we finalize the documents and get them  
 7 back from you. During that interval, you should make a  
 8 continuation payment at the trial period amount, and an extra  
 9 coupon has been provided for that purpose. That payment will  
 10 be applied as a principal reduction payment when your final  
 11 modification is effective." SEE EXHIBIT #1&5.

12  
 13 May 2009 through October 2009, the plaintiff's paid the  
 14 modified payment. September 2009. October 13, 2009, Plaintiff's  
 15 receive a letter from Chase servicing department stating the  
 16 plaintiff's do not qualify, after being told they were approved  
 17 and qualified and had made six modification payments. ["mail  
 18 fraud"]and ["Wire fraud"].

19  
 20 Plaintiff's call Chase servicing department and ask how  
 21 Chase can tell them they are approved and pay for six months  
 22 then tell them they are unapproved? Plaintiff's are told due to  
 23 the present changes during our modification trial period with  
 24 the Obama plan we have been unqualified now. EXHIBIT 6

25 Plaintiff's are told because the modification payments

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1 were partial payments the servicing company does not accept the  
2 payments to be full payments, only partial payments therefore  
3 the plaintiff's, have fallen into foreclosure status, and owe an  
4 additional \$25,000.00 or the mortgage company will foreclose on  
5 the plaintiff's home.

6  
7 October 28, 2009, The plaintiff receive a DEBT VALIDATION  
8 LETTER from Chase , RE:Chase Loan No. : 0697646826: EXHIBIT 2  
9

10 October 2009, after receiving this letter, I go to Diane  
11 Fritschi, manager of Chase Bank in Auburn, Washington, to see if  
12 Diane could talk to the servicing department. Diane calls the  
13 servicer and is told due to the changes in the Obama plan  
14 the Erickson's have been unqualified for the modification loan.  
15

16 October 2009, Mrs. Erickson goes to attorney Sarah Small  
17 Point-Du Jour whom draws up a letter of dispute of ownership of  
18 the mortgage, asking for proof of who owns the mortgage and she  
19 mails this letter certified mail to the mortgage servicing agent  
20 and the mortgager on November 11, 2009. The mortgage  
21 company/servicing company has never answered the letter of  
22 dispute. EXHIBIT 3  
23

24 Sarah Small Point Du Jour, refers me (Mrs. Erickson) to  
25 Melissa, a predatory lending attorney, who agrees Chase Mortgage

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1 has defrauded plaintiff's, however she is unfamiliar with this  
2 subject and recommends the plaintiff's file bankruptcy. We are  
3 in the middle of filing for bankruptcy caused by the mortgage  
4 fraudsters. I have chosen to do the complaint and cause of  
5 action claim Pro Se. And let Melissa file bankruptcy for us.  
6

7 The servicing and mortgage agents, and are in fact loan  
8 sharks, acting as discriminating predatory lenders and criminals  
9 committing organized crime at its worst. Defendants have  
10 mislead the Erickson's committed fraud, deception, and tort  
11 against the Erickson's, by phone calls and mail, violating the  
12 "Mail Fraud" Act and "Wire Fraud" Act, therefore violating the  
13 "RICO ACT".  
14

15 The defendants have blank mortgage assignments they possess  
16 transferring nothing. A mortgage is a conveyance of land.  
17 The various agreements between the securitization entities  
18 stating that each had a right to an assignment of the mortgage  
19 are on themselves an assignment and they are certainly not I  
20 recordable form. The issues in this case are not merely  
21 problems with paperwork or a matter of dotting i's and crossing  
22 t's. Instead, they lie at the heart of the protections given to  
23 homeowners and borrowers by the Washington legislature.  
24

25 To accept the defendants arguments of this alleged debt  
being enforceable and collectable and to allow them to take the

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Erickson's home without demonstrable right to do so, based upon the assumption that they ultimately will be able to show that they have that right and the further assumption that potential bidders will be undeterred by the lack of a demonstrable legal foundation for the sale and will nonetheless bid full value in the expectation that the foundation will ultimately be produced, even if it takes a year or more. The law recognizes the troubling nature of these assumptions, the harm caused if those assumptions prove erroneous, and commands otherwise. " (Italic emphasis in original.) (U.S. Bank National Association v. Ibanez/Wells Fargo v. Larace).

#### VI. REQUEST FOR QUIET TITLE ACTION

The Erickson's request quiet title to establish title to the land by compelling the adverse claimant to establish a claim or be forever estopped from asserting it. Show us who owns the mortgage or cancel the mortgage [NOW].

#### VII. FACTS

"By statute, assignment of the mortgage carries with it the assignment of the debt....Indeed, in the event that a mortgage loan somehow separates interests of the note and the deed of trust, with the deed of trust lying with some independent

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1 entity, the mortgage may become unenforceable. The practical  
 2 effect of splitting the deed of trust from the promissory note  
 3 is to make it impossible for the holder of the note to  
 4 foreclose, unless the holder of the deed of trust is the agent  
 5 of the holder of the note.

6  
 7 Without the agency relationship, the person holding only  
 8 the note lacks the power to foreclose in the event of default.  
 9 The person holding only the deed of trust will never experience  
 10 default because only the holder of the note is entitled to  
 11 payment of the underlying obligation. The mortgage loan becomes  
 12 ineffectual when the note holder did not also hold the deed of  
 13 trust." (Citations omitted; emphasis added.) The defendant's  
 14 /mortgage fraudsters have taken proof of who owns the the  
 15 mortgage documents and shredded them or disposed of them to  
 16 enable the fraudsters to sell the mortgages without proof of  
 17 their value, hiding their true value to sell and resell and  
 18 slice and dice the mortgages to get away with money laundering  
 19 and being paid several times over for the same documents,  
 20 defrauding the buyers and the sellers and are now stealing the  
 21 mortgages back without proof of ownership, to hide there crime,  
 22 causing economic hardship for almost every citizen in the United  
 23 States including the Erickson's and injuring their business of  
 24 over thirty years.  
 25

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1 Defendant's for the above reasons violates the "Money  
2 Laundering Act". 18 U.S.C. §1956-1957. See South Star Fundry LLC v.

3  
4 Supreme Sprouse, 200 WL 812174 (W.D.N.C. Mar. 13, 2007)(18 U.S.C. §  
5 1964), United States v. Dementz, 2007 WL 708975(11<sup>th</sup> Cir. Mar. 8, 2007)(18 U.S.C.  
6 §1956, 1957); United States v. Soehnge, 2007 WL 4213 (10<sup>th</sup> Cir. Jan, 2, 2007)(18  
7 U.S.C. § 1342); United States v. DeAngelis, 2006 WL 3082674 (11<sup>th</sup> Cir. Oct 31,  
8 2006) 18 U.S.C. § 1001); United States v. Havens, 424 F. 3d 535(7 Cir. 2005); (42  
9 U.S.C. § 408(a)(7), United States v. Lgeir, 2002 WL 31429868(3<sup>rd</sup> Cir. 2002) (18  
10 U.S.C. § 1028).

11  
12 'The fraudster servicing companies have pretended over and over to receive  
13 only partial documents, from the home owners only to collect the thousand dollars(  
14 EACH TIME they pretended to do the modification papers) from the government to  
15 do the paperwork for the modification loans. EXHIBIT 12 : Willie Winstead will  
16 be called as a witness to testimony, that he has experienced the same up to  
17 fourteen time. Thus the servicing companies literally stealing billions of  
18 dollars from our tax base to pay off the tarp money, with our own tax  
19 dollars.

20  
21 The Erickson's sent the same documents in up to twelve  
22 times, before being told the servicing company had received all  
23 the documents and had finally been approved, by phone.

24 The defendants have used abusive and threatening and  
25 deceptive and harassing collection practices. The defendants are

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1 demanding uncollectible and unenforceable mortgage debts, based  
2 on Mortgage fraud.

3  
4 The defendants defrauded the Erickson's telling the  
5 plaintiff's they were approved for a modification loan, then  
6 sending a trial modification letter , making an agreement with  
7 the Erickson's to pay modification payments and to ignore the  
8 regular payment statements. The Erickson's made modification  
9 payments for six months , then are told the mortgage company has  
10 changed its mind the plaintiff's are Unqualified. All part of a  
11 con job by organized criminals.

12  
13 The Plaintiff's submitted and resubmitted documents by fax,  
14 for over ten months before the mortgage company finally stated  
15 they had received all the copies, and not missing some through  
16 the fax machine, before the Erickson's were given notice by  
17 phone, they were approved for the modification loan. The  
18 Erickson's were not told they would receive a trial  
19 modification, until they received the trial modification letter.

20  
21 Plaintiff called the servicing agent in May, 2009 to see if  
22 I was approved for our modification loan, I was told the  
23 modification was approved and I would be receiving the paper  
24 work soon. Approximately a week later after I paid the June  
25 payment I received a letter dated May 29, 2009, telling me:

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1 According to our records we have recently sent you a Home  
2 Affordable Trial Modification package. If you have not already  
3 remitted the payments as detailed in that package, please use  
4 the temporary payment coupons enclosed with this letter. If you  
5 have already remitted some of the payments, please disregard the  
6 respective coupon for that month's payment but use the remaining  
7 coupon(s) going forward.

8  
9 We never received this package they are talking about, so  
10 we went directly to the bank to pay the first payment the  
11 servicing company told us to pay on the first of June, 2009.  
12 The bank refused the payment and told us we had to send the  
13 payment directly to the servicing agent.

14  
15 I called the servicing agent and told them we had not  
16 received the packet, that I needed the address and sent a  
17 cashiers check directly to them for the June modification  
18 payment. Shortly after I made the payment I received the letter  
19 dated June 29, 2009 with payment coupons attached to the letter.  
20 The letter continued to say: You may continue to receive your  
21 normal statement during this trial period. (We did not), but  
22 please do not use it for making future payments. Once your  
23 modification is effective, normal billing statements reflecting  
24 the modified terms will resume. If you make all (3) trial period  
25 payments on time and comply with all of the applicable program  
guidelines, you will have qualified for the final modification.

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1 Approximately the second and third payments, plaintiff's  
2 called in by phone the servicing company told plaintiff's their  
3 computers were down and to try again in a couple of weeks. That  
4 did not sound right to me, so we tried to call in a phone  
5 payment in a couple of days and made the payments by phone.  
6 (We were told by the servicing agent, the company had received  
7 all the necessary paperwork, and we were approved for the  
8 modification loan. I had faxed all the requested material and  
9 document to the serving company in order to receive the  
10 modification loan.)  
11

12 The servicing company letter continues. However, there may  
13 be a period of time between your last trial payment and your  
14 first modification payment as we finalize the documents and get  
15 them back from you. During that interval, you should make a  
16 continuation payment at the trial period amount, and an extra  
17 coupon has been provided for that purpose. That payment will be  
18 applied as a principle reduction payment on your loan after your  
19 final modification is effective.  
20

21 The coupon page consisted of this: Please use the temporary  
22 coupons below during your trial modification period and be sure  
23 to include your loan number on your check.  
24 If you have already remitted some payments or have set up  
25 electronic payments for future payments under the trail plan,  
please disregard these temporary coupon(s) for those months. If

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1 you prefer to make your payment by phone, (Which we did) or have  
2 any questions about these temporary coupons, please call us at  
3 (866) 926-8937. During your trial modification period, we are  
4 waiving any telephone payment fees and can schedule your  
5 payments in advance to help make it easier to keep your trial  
6 plan current. If your loan is in foreclosure, certified funds  
7 are required.

8  
9 Additionally, you may not receive statements during the  
10 trial modification months. Normal billing statements reflecting  
11 the modified terms will resume once your trial modification is  
12 effective. These two papers were the only papers we received  
13 until the October 13, 2009 letter. [This letter : Stating the  
14 bank was now refusing the modification loan, they had already  
15 approved. I called the servicing agent and asked why I received  
16 a letter saying no after I was told in May 2009 that I was  
17 approved and I have made six modification payments?

18  
19 The servicing agent told me I qualified then however during  
20 the modification trial period and the finalizing of the loan the  
21 rules have changed and I do not meet the new requirements.  
22 During this call it was the first time the servicing company  
23 informed me why I owed over \$25,000.00. I was told the payments  
24 are considered partial payments and I now have fallen behind  
25 long enough to go into foreclosure.

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1 If I had been warned the modification payments would not be  
2 considered full payments I would never have agreed to make the  
3 modification payments. I was tricked, misinformed and deceived.  
4 I would never have allowed my house to be in foreclosure. I  
5 have struggled to keep my house out of foreclosure. I believed  
6 this program was to help you, not set you up for foreclosure  
7 INSTEAD. This is illegal according to the estoppel law.

8 ESTOPPEL: The Supreme Court noted that the theory of judicial  
9 estoppel "prevents a party from asserting one position in a  
10 judicial proceeding and later taking an inconsistent position to  
11 gain an advantage".  
12

13 Estoppel includes being barred by false representation or  
14 concealment(equitable estoppel), failure to take legal action  
15 until the other party is prejudiced by the delay Estoppel by  
16 silence. No man can contradict his own act or deed. An estoppel  
17 arising when a negligent person induces someone to believe  
18 certain facts, and then the other person reasonably and  
19 detrimentally relies on that belief.  
20

21 Estoppel by representation: An estoppel arises when one  
22 makes a statement or admission that induces another person to  
23 believe something and that results in that person's reasonable  
24 and detrimental reliance on the belief. A promissory estoppel  
25 is is a contract law doctrine It occurs when a party reasonably

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1 relies on the promise of another party, and because of the  
2 reliance is injured or damaged. Estoppel is a legal doctrine at  
3 common law, where a party is barred from claiming or denying an  
4 argument on an equitable ground. Estoppel complements the  
5 requirement of consideration in contract law. In general,  
6 estoppel protects an aggrieved party, if the counter- party  
7 induced an expectation from the aggrieved party, and aggrieved  
8 party reasonably relied on the expectation and would suffer  
9 detriment if the expectation is not met.

10  
11 Estoppel prohibit an individual or group from being harmed  
12 as a result of another's deeds, statements or promises, when  
13 later actions or statements contradict or undermine what was  
14 originally stated, promised, or inferred. I was told over the  
15 phone on every phone call to the servicing agent that I owed a  
16 balance over due on the loan. And I told the person on the  
17 phone I am in the middle of a modification loan and that debt  
18 will be added to the end of the loan when my modification is  
19 finalized. The party told me " I know I just am obligated to  
20 tell you this. I was never informed I would be put in  
21 detrimental harm and forced into foreclosure. I was never told  
22 the payments would not be considered full payments.

23  
24 There must be evidence to show that the representor  
25 actually intended the victim to act on the representation or

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1 promise, or . EXHIBITS 1, & 5.

2 - the victim must satisfy the court that it was reasonable  
3 for him or her to act on the relevant representation or promise,  
4 and what the victim did must either have been reasonable, or the  
5 victim did what the representor intended, and The victim would  
6 suffer a loss or detriment if the representor was allowed;  
7 to deny what was said or done—detriment is measured at the time  
8 when the representor proposes to deny the representation or  
9 withdraw the promise, not at the time when either was made, and  
10 in all the circumstances, the behavior of the representor is  
such that it would be unconscionable " to allow him or her to  
resile.

11 I was under the understanding the servicing company was  
12 understanding once I completed the trial modification payments I  
13 would receive my final modification. I was never told other  
14 wise. The servicing company has been purposely delaying the  
15 modification loan building up fees for paperwork and servicing.  
16 Now the servicing agent is pushing for a foreclosure to add more  
17 fees for their service that will be paid at foreclosing, that  
18 otherwise may not have been paid for a long time or never. It  
19 is all a scam. procrastinating while using trickery to cause  
detrimental harm, by concealing information that my loan would  
be put in harms way while making trail modification payments.

20 PROMISARY ESTOPPEL: The doctrine of promissory estoppel  
21 prevents one party from withdrawing a promise made to a second  
22 party if the latter has reasonably relied on that promise and  
23 acted upon it to their detriment. An unequivocal promise by  
24 words or conduct. Evidence that there is a change in position  
25 of the promise as a result of the promise. EXHIBITS#1& 5.

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1 I have never allowed the mortgage to fall into danger of  
 2 foreclosure being enforced. The Erickson's were not in danger  
 3 of default or repossession until the servicing agent directed  
 4 the Erickson's to make the modification payments, without  
 5 informing the Erickson's by making the modification payments the  
 6 Erickson's would be putting our home/mortgage in detrimental  
 7 harm. The servicing agent has put me in danger of being  
 8 foreclosed on any day, without notice until the Erickson's  
 9 home/mortgage was already in harms way./detriment. The  
 10 modification plan used by the servicing company to set up the  
 11 Erickson's mortgage to go into default. Consolidation Equity  
 12 Loan 2002 after Erickson's completed remodeling commercial  
 13 buliding. Exhibits D and E.

14  
 15 I requested this modification loan because my small  
 16 business has been effected by the slow economy, which caused me  
 17 to take out this loan to begin with, to save my mortgage again,  
 18 not to cause the mortgage to fall behind farther than it was.  
 19 I trusted this company to treat me fairly and I have been trying  
 20 for a year to work with this unfair, unscrupulous unconscionable  
 21 predatory servicing company and mortgage fraudster company.

22  
 23 These predatory unconscionable, deceptive servicing agents  
 24 have to be stopped from this trickery, and organized crime.  
 25 This cannot go on. Massive people are hurting and they are  
 heartlessly taking advantage of each and every one. Actually  
 stealing their homes after causing a bubble burst by illegal

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1  
2 activity, causing global economic loss, putting millions of  
3 people and millions of home in detrimental harms way created by  
4 organized crime.  
5

6 I in earnest paid the modification loan payments for six  
7 months, not knowing or being told in any way that by paying the  
8 modification payments, I was being time delayed, and falling  
9 behind in my payments which has put me in detrimental harms  
10 way and the threat of foreclosure. I would have chosen to keep  
11 making the larger payments until the modification loan was  
12 finalized if I had been notified of the payments only being  
13 allowed to be considered as partial payments.  
14

15 I have been requesting relief and help with a modification  
16 for months that could have helped me sooner. This  
17 procrastination has harmed me. I believe this detrimental harm  
18 was the intent of the servicing company. It is deceitful  
19 trickery, using concealment and fraudulent predatory servicing,  
20 WHILE MAKING A THOUSAND DOLLARS FOR EACH TIME THE SERVICING  
21 COMPANY REVIEWED THE LOAN DOCUMENTS, this incentive enabled by  
22 government promises to pay in advance for each loan reviewed,  
23 without the loan being closed. . Witnesses; customers of  
24 plaintiff's; Willie Winstead, Darcee Davis, Tara \_\_\_\_\_,  
25 Linda Hoffman, Jerra Kleigan, Debe Flower, will testify to the  
economic loss and their experience with Chase and more fraudster

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1  
2 lenders, and have knowledge of the over thirty years of my  
3 business. EXHIBITS 16; These organized criminal Fraudster's  
4 claim I never made my modification payments.

5  
6 VIII. I AM DISPUTING MY MORTGAGE:  
7

8 Predatory lenders and predatory servicing companies cannot  
9 be allowed to put people in detrimental harms way. The only way  
10 to stop this is to stop them. The Erickson's did not understand  
11 my mortgage agreement. The contract was not made clear to us.  
12 The Erickson's were tricked and mislead by the lenders. Now the  
13 servicing agent is misleading us. The lender has used unfair  
14 and discriminating interest rates and a predatory,  
15 unconscionable, deceptive lending contract with the Erickson's.

16  
17 The Erickson's have tried to come to some fair terms and  
18 loan agreements with this lender and have been denied after  
19 being told we were approved for the modification loan. Our  
20 bankruptcy attorney has told us to ignore every statement and  
21 phone call until she tells us it is time to file the bankruptcy,  
22 so we have ignored every such call, giving her the information  
23 and letters. The plaintiff's tried working with the  
24 unscrupulous mortgage servicer for over a year and a half and  
25 then were defrauded. There is no good just reason to expect any  
reasonable actions from organized criminals being the fraudster  
and co-conspirator defendants.

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1  
2 The Erickson's have been misled at the closing day, to  
3 discover the mortgage document we signed is not what we believed  
4 to be signing or we would never have signed it.

5  
6 The Erickson's are victims of a predatory lender, using  
7 unfair, deceptive, and fraudulent practices during the loan  
8 organizing process. This loan imposes unfair and  
9 abusive loan terms on us the borrowers. Now the servicing agent  
10 is using deceptive and unfair and fraudulent practices of the  
11 serving agents during the loan /mortgage servicing process, post  
12 loan origination. This is "the practice of a lender  
13 deceptively convincing borrower to agree to unfair and abusive  
14 loan terms, systematically violating those terms in ways that  
15 make it difficult for the borrower to defend against.

16  
17 This mortgage is unjustified risk-basing pricing. This is  
18 the practice of charging more in the form of higher interest  
19 rate and fees for extending credit to borrowers identified by  
20 the lender as posing a greater credit risk. Higher interest  
21 rates put the barrower in detrimental harms way. The barrower  
22 is tricked into believing the loan is a good thing, and find out  
23 the mortgage is not what it seems and in fact is set up to  
24 easily and even evitable go into foreclosure. When if the party  
25 had been fairly treated and not discriminated against the loan  
would not go into foreclosure. The Plaintiff's would not have

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1  
2 been in a situation to file for a new loan on their home if the  
3 fraudsters and co-conspirators had not committed the hugest  
4 organized crime in the history of the United States and caused  
5 an economic crash, thus committing an economic crime, injuring  
6 the plaintiff's business, by injuring vast amounts of the  
7 plaintiffs clients incomes.  
8

9 The Erickson's have answered every request to work out an  
10 affordable modification loan with the lender. The lender failed  
11 to present the loan price as being negotiable at the time of the  
12 original loan. The lender failed to clearly and accurately  
13 disclose the terms and conditions. Until clearly realized we  
14 were being duped in November 2009.  
15

16 The Erickson's are asking for proof of who owns the  
17 mortgage. Has this mortgage become a securitization? The letter  
18 was sent over eight months ago, without answer.  
19

#### 20 IX. THE ERICKSON'S ARE REQUESTING QUIET TITLE

21

22 The Erickson's are requesting OMINIBUS Motion to cancel the  
23 mortgage-now! "By statute, assignment of the mortgage carries  
24 with it the assignment of the debt... Indeed, in the event that a  
25 mortgage loan somehow separates interests of the note and the  
deed of trust, with the deed of trust lying with some  
independent entity, the mortgage may become unenforceable. The

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1  
2  
3 practical effect of splitting the deed of trust from the  
4 promissory note is to make it impossible for the holder of the  
5 note to foreclose, unless the holder of the deed of trust is the  
6 agent of the holder of the note. Without the agency  
7 relationship, the person holding only the note lacks the power  
8 to foreclose in the event of default. The person holding only  
9 the deed of trust will never experience default because only the  
10 holder of the note is entitled to payment of the underlying  
11 obligation. The mortgage loan becomes ineffectual when the  
12 note holder did not also hold the deed of trust. The Erickson's  
13 request quiet title proving of the mortgage being enforceable or  
14 "cancel the mortgage now"!

15  
16 In mortgage securitization transactions, the mortgage  
17 servicer forwards the borrower's payment of principal and  
18 interest to the certificate holders (investors) of  
19 the special securitized trust that owns and holds the promissory  
20 notes secured by the mortgages and deeds of trust. The  
21 mortgage servicer, however, is allowed to retain late fees, BPO  
22 fees, inspection fees, and other fees charged or assessed to a  
23 borrower's account. In addition to the fee income, the servicer  
24 is allowed to retain the net liquidation proceeds of any  
25 foreclosure sale (net after foreclosure expenses and principal  
balance to investors.)

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1  
2  
3 This provides an incentive to unscrupulous servicers who  
4 aggressively interpret mortgage documents to add additional  
5 fees, to a borrower's mortgage account. Many times, the  
6 additional fees added on create an event of default  
7 allowing the mortgage servicer to foreclose on the property.  
8

9 This practice is commonly referred to as manufacturing a  
10 default or manufactured default. The Erickson's believe the  
11 servicing agent has indeed manufactured default on the  
12 Erickson's.  
13

#### 14 **X. THIS IS CONSUMER FRAUD AND MORTGAGE DISCRIMINATION** 15

16 The Erickson's request action to quiet title to establish  
17 the plaintiff's title to land by compelling the adverse claimant  
18 to establish a claim or be forever estopped from asserting it:  
19

20 This is predatory and unfair mortgage practice therefore  
21 the Erickson's request the court to grant rendering this  
22 securitized Mortgage unenforceable. And to cancel the mortgage  
23 now.  
24

#### 25 **XI. Fraudsters and Co-Conspirators**

**WAMU, and Chase Bank are only two of the three and a half**

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1  
2  
3 pages of fraudsters and co-conspirators listed on  
4 www.msfraud.org/fraudsterslist.html.

5 The economic crime is so vast it is considered the biggest  
6 organized crime in the history of the United States. EXHIBITS 8-  
7 12.  
8

9 My husband and I have built this house with our bare hands,  
10 no contractors in 1981, and have lived here all these years  
11 paying taxes on the property all these years. We have done  
12 everything possible to work with the lender to save our home.  
13 We have paid the trial modification payments in good faith and  
14 are being forced into protecting our home from unconscionable  
15 predatory lenders and servicing agents and trustees. We pray the  
16 courts will grant the motion of Ominibus relief, by Quiet Title,  
17 if the parties are unable to produce proof of any legal rights.  
18

19 We pray the courts will grant reliance Estoppel due to the  
20 lenders and servicing agents causing detrimental harm and  
21 committing mortgage servicing fraud to the Erickson's, covered  
22 by the estoppel law. The Erickson's acted on the word  
23 and promises of the servicing agents that lead the Erickson's to  
24 detrimental harm and putting the Erickson's home into  
25 foreclosure status. The Erickson's are claiming the lenders,  
servicers, agents, and mortgage companies, and trustee's have  
performed predatory lending, and servicing, unconscionable acts,

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1  
2 deceptive, unfair mortgage discriminating, and consumer fraud,  
3 therefore Defendant's violating the "mail fraud", "wire fraud"  
4 and "RICO ACT".  
5

6 The lenders did not clarified the documents to the  
7 Erickson's, concealing the true nature of these documents  
8 leading the Erickson's to repossession of our home, during both  
9 the time of the original signing of the mortgage and during the  
10 modification period.  
11

12 The Erickson's are claiming the predatory servicer's have  
13 acted as officious intermeddler's with unclean hands and should  
14 receive no restitution for the benefit conferred, nor quantum  
15 meruit.  
16

17 This is Unconstitutional, Unclean Hands: one of the maxims  
18 of equity embodying the principle that a party seeking redress  
19 in a court of equity (equitable relief) must not have done any  
20 dishonest or unethical act in the transaction upon which he or  
21 she maintains the action in equity, since a court of conscience  
22 will not grant relief to one guilty of unconscionable conduct,  
23 ie., to one with "unclean hands."  
24

25 Unconstitutional conflicting with some provision of  
Constitution, most commonly the United State Constitution. When

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1  
2 a statute is found to be unconstitutional, it is considered void  
3 or as if it had never been, and consequently all rights,  
4 contracts, or duties that depend on it are void. Similarly, no  
5 one can be punished for having refused obedience to the law once  
6 it is found to be unconstitutional.

7  
8 **XII. RESTITUTION DEMANDED**  
9

10 The plaintiff's request restitution of onehundred thousand  
11 dollars plus, per year for injury to their business, beginning  
12 2003, to date, then treble per law. See "RICO ACT" which  
13 provides; In addition to criminal penalties, any person "injured  
14 in his person or property "by reason of RICO violation may bring  
15 civil action. In civil action, a litigant may recover treble  
16 damages, as well as attorney fees. Plaintiff request  
17 reasonable attorney fees for Pro Se work involved to file this  
18 case.

19  
20 **XIII. CONCLUSION**  
21

22 With respect for all the above reasons, Plaintiff's must  
23 be granted their request for restitution and Ominibus Motion And  
24 Quiet Title:  
25

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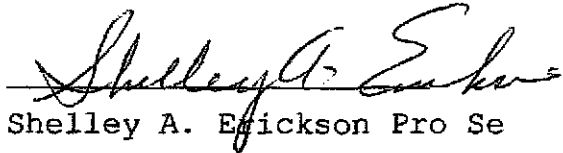
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1  
2  
3 

4 John E. Erickson Pro Se

Dated September 10, 2010

5  
6 

7 Shelley A. Erickson Pro Se

Dated September 10, 2010

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16  
17 V.

18  
19 Long Beach Mortgage Co.,

20 Washington Mutual Bank and Chase Bank, Agent for Deutsche Bank

21 National Trust, Servicing Agent for Chase Bank, Peter Ru

22 agent/loan broker for Long Beach; Loan No.0697646826.

23 Davis Wright Tremaine LLP

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CERTIFICATE OF SERVICE

I declare under penalty of perjury that on September 10<sup>th</sup>,  
2010, I caused a copy of the foregoing Amended Complaint and  
Cause of Action to be served upon the Plaintiffs by U.S.Mail:

Long Beach Mortgage Co.,

Washington Mutual Bank and Chase Bank, Agent for Deutsche Bank  
National Trust, Servicing Agent for Chase Bank, Peter Ru  
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CERTIFICATE OF SERVICE

I declare under penalty of perjury that on September 11<sup>th</sup>, 2010, I caused a copy of the foregoing Amended Complaint and Cause of Action to be served upon the Plaintiffs by U.S.Mail:

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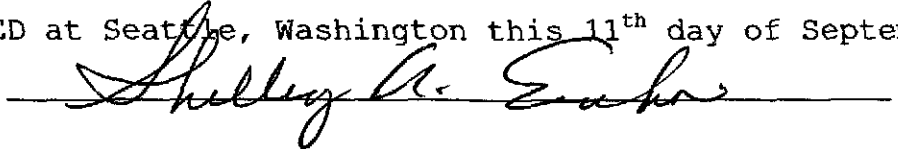
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